steadfast in my opposition to any special assessment that would be imposed on community banks.

Community banks did not cause the economic crisis. To the best of my knowledge, community banks do not pose a threat to the Deposit Insurance Fund or its Designated Reserve Ratio. Community banks did what they always do, they took care of their communities, small businesses, faith-based groups, community-based groups, nonprofits, César Chávez entities and many, many others.

Under the restoration plan approved last October, the FDIC Board set a rate schedule to raise the DIF reserve ratio to 1.15 percent within five years. Recent actions taken by the FDIC extends the restoration plan horizon to seven years in recognition of the current significant strains on banks and the financial system and the likelihood of a severe recession.

I agree with FDIC Chairman Sheila Bair's statement in the release that, and I quote, "Public confidence in the FDIC guarantee has helped assure a stable source of funding for banks in these troubled times.'' However, I am curious as to why community banks that played little to no role in the current financial crisis will have to pay a special assessment for something they did not do. I understand the argument that it's best to impose the assessment on all the insured institutions across the board. But, it is flawed. And, I'll ask one more time why should community banks that had little to nothing to do with the current crisis have to pay the special assessment?

They are small institutions that are well-capitalized whose funds are needed by local communities. Only thirteen out of 640 community banks in Texas have opted to participate in Treasury's Capital Purchase Program, and none of them are based out of my district.

As noted, the Full Committee and subsequently the House of Representatives passed legislation authorizing the FDIC to borrow up to $100 billion from Treasury. Recently, Senate Banking Committee Chairman CHRISTOPHER DODD introduced legislation that would give the FDIC's Board of Directors, the Board of Governors of the Federal Reserve System and the Secretary of the Treasury, in consultation with the President, the power to increase the FDIC's borrowing authority above the $100 billion cap to an amount they deem necessary to maintain the stability and designated reserve ratio of the FDIC's Deposit Insurance Fund, but not to exceed $500 billion. This borrowing authority would sunset on December 31, 2010.

I support Chairman DODD's legislation—both its intent and its language—in large part due to the strict requirements it imposes on the FDIC, the Federal Reserve, and Treasury (in consultation with the President) prior to granting the authority for the FDIC to borrow beyond the proposed $100 billion threshold as capped in the House-passed version of the legislation. It is sound public policy.

At the same time, with all the funds the FDIC currently has available and the additional borrowing authority it likely will have soon, I don't believe it needs to tap the community banks in my district, in Texas and the United States.

I have the utmost respect and confidence in Chairman Bair. I laud her for her commitment to financial literacy, especially her efforts to bring the unbanked into the mainstream financial system and away from check cashers, and payday and predatory lenders. I acknowledge and commend her and the FDIC Board for all their efforts and success at addressing the current economic crisis, up to a point.

The FDIC's proposed emergency special assessment will not only negatively impact community banks, but it will not help me in my capacity as Co-Chair of the Financial and Economic Literacy Caucus. It will not help me as a member of the Financial Services Committee. It definitely will not help me, a representative of the poorest county in the country, to bring the unbanked into the mainstream financial system.

There are alternatives to what the FDIC is proposing. If the FDIC needs additional funds to meet the designated reserve ratio, it can easily change the assessment base from domestic deposits to all deposits. The FDIC could tap temporary funding from the Treasury, like Wall Street firms, to re-capitalize the insurance fund, giving Main Street banks time to strengthen their balance sheets and allow local lending activities to continue, and grow, to help our struggling economy recover, rather than constrict lending further by imposing a new debt obligation on already burdened balance sheets.

I cannot support a policy in which a federal agency takes funds from my district, which includes Hidalgo County—the poorest county in the country—and transfers them to the limited areas of the country in which the large banks and entities other than community banks or credit unions, with the help of certain regulators, created the current global economic crisis.

Madam Speaker, I hope that someone out there is listening.

TREASURE ISLAND MAYOR MARY MALOOF COMPLETES 12 YEARS OF SERVICE TO HER COMMUNITY

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 16, 2009

Mr. YOUNG of Florida. Madam Speaker, Treasure Island Mayor Mary Maloof turns over her gavel this week during the city commission's regularly scheduled meeting, ending 12 years of dedicated service.

It has been a privilege to work with Mayor Maloof on a number of projects important to the people of Treasure Island. Most notable was the rebuilding of the Treasure Island Causeway and Draw Bridge, which serves as a major evacuation route for the city's residents. Together, we dedicated this $65 million project in June of 2006, to the cheers of the people of Treasure Island and to the relief of the city's engineers who were concerned about the safety of the old bridge.

Mayor Maloof was never afraid to tackle a problem of any size whether it is a major bridge replacement, the largest public works project in the city's history, or the concern of a single constituent. She approached all those challenges with the same interest and can-do spirit.

Mayor Maloof served for six years as a City Commissioner before being elected Mayor in 2003. She was the first woman to be elected Mayor of Treasure Island and was reelected to a second three-year-term in 2006.

She had the great honor to preside over the city's 50th anniversary in 2005 and through her 12 years of service to the people of Treasure Island, she has set the city on course for great success and prosperity over the course of its next 50 years.

Madam Speaker, serving as mayor of any community large or small is among the toughest of elected positions. Mayor Mary Maloof has carried out her duties with the greatest of honor and dedication and it is my hope that my colleagues join me today in saluting her for a job well done.